

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6484

BILL NUMBER: SB 101

NOTE PREPARED: Feb 8, 2011

BILL AMENDED: Feb 7, 2011

SUBJECT: Driver Education Issues.

FIRST AUTHOR: Sen. Holdman

FIRST SPONSOR: Rep. Hinkle

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill authorizes the Bureau of Motor Vehicles (BMV) to issue a learner's permit to a person at least 15 years of age under certain conditions. (Current law authorizes the BMV to issue a learner's permit to a person at least 15 years and 180 days of age.)

The bill also provides that an individual who held a learner's permit prior to July 1, 2010, may receive an operator's license if the individual: (1) is at least sixteen (16) years and thirty (30) days of age; (2) has obtained an instructor's certification that the individual has satisfactorily completed an approved driver education course; and (3) has passed the required examination.

Effective Date: Upon passage.

Explanation of State Expenditures: (Revised) This bill will result in a redistribution of workload for local BMV branches to process an influx of approximately 22,374 requests for learner permits during the latter part of FY 2011 and early portion of FY 2012. Changes in workload should be able to be processed with currently existing staff at local BMV branches.

This estimate assumes (1) this provision will take effect prior to the end of FY 2011 and (2) that all individuals who are not yet 15 years and 6 months of age but over 15 years of age (and would otherwise have requested a learner permit at age 15 years and 6 months) will immediately request a learner permit upon passage of the bill.

Explanation of State Revenues: (Revised) *Summary:* This bill is expected to increase state revenue received from learner's permits during FY 2011 by \$537,500.

The bill is also expected to increase revenue the state receives from fees for driver's licenses issued to individuals who, under the bill, would be eligible to receive a driver's license at 16 years and 30 days of age during FY 2011. Increases in revenue from driver's license fees is unknown.

Additional Information:

Effect on Learner's Permits: This bill repeals language that took effect on July 1, 2010, that increased the age an individual can obtain a learner's permit to 15 years and 6 months of age (P.L. 101-2009). As the new age restrictions are currently in place, removing these restrictions will most likely cause a large increase in the number of new learner's permit requests upon the effective date of the bill from those individuals who are between the ages of 15 years and 15 years and 6 months. It is expected that total revenue to the state will experience no change, except the state will receive additional revenue in FY 2011 if this provision were to take effect before the end of the fiscal year. The estimated increase in revenue for FY 2011 is \$537,500.

Effect on Driver's Licenses: This bill will allow individuals who received driver's permits between (1) 1 year before the passage of the bill and (2) June 30, 2010 to receive a driver's license at 16 years and 30 days rather than the current 16 years and 180 days. The number of individuals this provision will impact are unknown at the current time. However, the bill is expected to increase revenue received from driver's license fees during FY 2011. The fee for a driver's license is \$21. Actual increases in revenue are not known but will depend on (1) the date the bill is passed into law, (2) the total number of individuals who would be eligible to receive a driver's license at 16 years and 30 days of age, and (3) the actual number of individuals who apply to receive their driver's license at 16 years and 30 days of age.

Background Information:

The fee for a learner's permit is \$9. Between CY 2008 and CY 2009, an average of 44,742 individuals received their driver's education permit and 57,638 individuals received their learner's permit. Annually, approximately 44,742 individuals, or about 3,729 monthly, were assumed to be eligible to obtain their learner's permit at 15 years of age.

Revenue obtained from learner's permits is distributed to the Motor Vehicle Highway Account (MVHA), Crossroads 2000 Fund, Anti-Terrorism Fund, BMV Technology Fund, and State License Branch Fund. Of the increase in revenue this bill creates (\$537,500), each account is expected to receive the following.

Fund	FY 2011 and FY 2012 Net Revenue Increase	Uses
MVHA	\$30,000	Construction, reconstruction, and maintenance, along with supporting the BMV, the State Police, the Dept. of Transportation, and the Department of State Revenue.
Crossroads 2000 Fund	\$119,000	Bonding for highway projects.
Anti-Terrorism Fund	\$75,000	Supporting the Integrated Public Safety Commission.
BMV Technology Fund	\$30,000	Upgrading technology at the BMV.
State License Branch Fund	\$283,500	Supporting the operation of the licenses branches throughout the state.
Total Increase in Revenue From Fees	\$537,500	

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: BMV, Department of State Revenue as recipients of MVHA distributions.

Local Agencies Affected: Recipients of MVHA distributions.

Information Sources: BMV driver's license data for CY 2009; BMV learner's permit data for CY 2008 and CY 2009.

Fiscal Analyst: Bill Brumbach, 232-9559.